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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 001430

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E.O. 12958: DECL: 05/20/2018
TAGS: [PREL](#) [PGOV](#) [PARM](#) [KNNP](#) [CH](#) [RS](#)
SUBJECT: MEDVEDEV'S FIRST FOREIGN TRIP: EASTWARD TO CHINA
REF: MOSCOW 1425

Classified By: Political M/C Alice G. Wells. Reasons 1.4 (B/D).

11. (C) Summary. Russian analysts argue that Medvedev's May 22-24 visit to Kazakhstan and China -- the first foreign trip as the new Russian President -- carries both symbolic and substantive significance. Specialists welcomed the choice, saying that Medvedev's decision to go eastward would remind the world that Russia was a Eurasian country and would pursue its national interests accordingly. While the MFA was busy preparing for the "historic" visit, the Chinese Embassy told us that Medvedev's trip to their earthquake-stricken country would be a morale booster and evidence of Russia's support for the Chinese people. Medvedev, who previously chaired the Russia-China Friendship Society, is expected to focus more on atmospherics than deliverables. While a joint communique and announcement of more civilian nuclear cooperation is possible, experts hope that the two leaders will advance bilateral relations, particularly economic cooperation, beyond political statements to a new, more substantive level.
End summary.

Choosing East First

12. (C) Asia specialists at the Institute of World Economy and International Relations (IMEMO), the Moscow State Institute of International Relations (MGIMO) and the Institute of Far Eastern Studies all agreed that Medvedev's choice of Kazakhstan and China as his first foreign trip would send a signal to the world and the Russian public that Moscow no longer focused only on Europe and the U.S. but was ready to realize its national interest eastward (reftel). "No stranger to the matters of the East" from his work as the Chairman of the Russia-China Friendship Society and 2006/7 National Years -- the Year of China in Russia and the Year of Russia in China, Medvedev was well poised to enhance the bilateral relationship, said the specialists in chorus. Gennadiy Chufrin, IMEMO's Deputy Director, emphasized that the new Russian government's focus on Kazakhstan, through which the GOR wanted to pursue more integration of the former Soviet space, and China could also reinforce the Russia-Kazakhstan-China trilateral cooperation and the Shanghai Cooperation Organization's framework. Gui Cong Yu, Senior Advisor at the Chinese Embassy, told us May 20 that Medvedev's visit to China in the aftermath of the tragic Sichuan earthquake would be greeted positively as a sign of Russian support for the Chinese people. Although there would be no new headline-grabbing agreements announced during the visit, Medvedev's presence in China would mean much to the Chinese leadership and the public, he added.

Lock-Step International Agendas

13. (C) The Dean of the MGIMO Aleksey Bogaturov underscored the two countries' common approach to many international issues including the overall philosophy of multipolarity, the role of the UN, nonproliferation, the Korean peninsula, Iraq

and the Middle East. Gui affirmed that the single most important document to be signed by the two presidents during the Medvedev visit would be a joint communiqu on international affairs, which would emphasize the pursuit of peace with no interference in others' internal matters.

Sluggish Economic Cooperation

¶4. (C) Chufrin was among the experts who argued that it was time to move beyond friendly official statements and "get down to work" with concrete economic plans. Although politically, the two countries were enjoying a "best possible relationship," he pointed out Russia's "ambivalence" toward China as the main culprit of the sluggish pace in bringing more substantive economic cooperation that transcends energy trading only. With the Joint Intergovernmental Economic Commission idling, Russia was unhappy with the "structural" problem of the cooperation, while China had been frustrated with limited market access. The case in point: Russian Far East (RFE) development. The Russians simply cannot create a viable economic space in the RFE, mainly because of the lack of labor force, while the Chinese government is impatient with the slow economic progress in border provinces such as Heilungjiang and Jilin. Chufrin stressed that with more open economic policies in the RFE, both countries could benefit. Aleksandr Zhebin of the Far Eastern Studies Institute agreed, blaming Russia's "dead-end" policies. Zhebin criticized the Russian government for "sitting tight" with its energy resources, and operating with the illusion that Eastern economic powers -- China, Korea and Japan -- could not survive without Russian energy. One positive result of the

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visit, according to Gui, will be a possible agreement on nuclear-power cooperation. He said the two presidents could sign a document to initiate a joint project although planning is at an initial stage, with no volume, place or start date determined yet.

Delicate Military Cooperation

¶5. (C) Gui stressed that there would no new military agreement signed during the visit. Chufrin criticized China's indiscriminate reproduction of the Russian military hardware once purchased, which undermined Russia's competitiveness in the world market. Aware of "second-generation" Russian military models flooding Russia's likely customer countries, Russia had become reluctant to expand arms sales to China, he added. According to Chufrin, if China wants to expand military cooperation with Russia, it should learn to abide by agreed terms and respect Russia's priorities. For instance, China "unwisely" continued to supply arms to Pakistan, with which Russia traditionally had been reluctant to engage in arms sales.

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